




**CITY OF SOMERVILLE, MASSACHUSETTS**  
**Office of Strategic Planning and Community Development**  
**JOSEPH A. CURTATONE, MAYOR**

MEMORANDUM

**Office of the Executive Director**

**MEMORANDUM**

**TO:** Mayor Joseph A. Curtatone

**FROM:** Monica R. Lamboy, Executive Director 

**DATE:** April 28, 2011

**SUBJECT:** Proposed HUD 2010-2011 Action Plan

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The Office of Strategic Planning and Community Development (OSPCD) respectfully requests that you forward the proposed HUD Action Plan for 2011-2012 to the Board of Alderman for their review and consideration. This Action Plan is prepared annually by the OSPCD to program the Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and Emergency Shelter Grant (ESG) funds which are allocated to the City by the Federal Government through the U.S. Dept. of Housing & Urban Development (HUD). The Action Plan will cover the period of July 1, 2011 to June 30, 2012. Unfortunately, this year cities across the country will experience substantial reductions in HUD funding as a result of the recent federal budget approval. Specifically, CDBG is being reduced by 16.7% and HOME by 11.5 %.

**BACKGROUND**

The City's HUD Action Plan for 2011-2012 incorporates new entitlement in the amount of \$3,610,801. This equates to \$2,585,615 in CDBG funds, \$850,454 in HOME funds, and \$174,732 in ESG funds. An anticipated \$630,603 in program income (\$50,000 in HOME funds and \$580,603 in CDBG funds) will be added for a total budget of new funds of \$4,241,404. Total HUD funding for this plan, including carry-forward funding, is estimated at \$8,109,689 for 2010-2011.

Overall, CDBG entitlement funds were reduced by \$518,491 and HOME funds reduced by \$111,307. It should also be noted that HUD 2012 represents the last year payment will be made for Year 21 so it is likely that program income will be reduced by the next HUD fiscal year.

## **PROPOSED PLAN**

The Office of Strategic Planning & Community Development is proposing fifty-one projects and/or programs for 2011-2012, of which fourteen are Economic Development, four are Transportation & Infrastructure, fourteen are Parks & Open Space, six are Historic Preservation, seven are Housing, two are Public Services, and four are Project Management and Administration.

New to this year's plan is the Fabrication Laboratory. The cluster will involve brokering partnerships with key business, educational and institutional organizations in the City and metro-region.

In order to address the substantial reductions in funding, staff are recommending several reductions:

- Shift portions of some positions traditionally on HOME funds to CDBG to address HOME Admin cap of 10%;
- Reduce HOME CHDO Operating and HOME CHDO Set Aside to comply with federal percentage allocations;
- Eliminate one vacant position and otherwise reduce operational expenses for an overall reduction of over \$173,600;
- Reduce public services by \$77,800 to remain consistent with City's commitment to allocate 15% of CDBG entitlement funds for public services;
- Reduce both Main Streets programs by 10% from \$75,000 to \$67,500 each.

The number of new projects added this year is also very limited and while funding for two parks construction projects is recommended, those amounts only represent a portion of the anticipated construction costs and staff intends to apply for other grant funds and use the CDBG as a local match.

## **PUBLIC COMMENT**

The 2011-2012 Action Plan development began in January 2011 with an assessment of existing HUD programs and projects and the City held the first of two planned public hearings on February 17, 2011 as required by HUD. OSPCD conducted its second public hearing on the HUD 2011-2012 Action Plan on March 22, 2011 to solicit input into the proposed plan. The public comment period closed on April 22, 2010. If any additional comments are received after that date, staff will still forward them to the BOA for your consideration.

## **RECOMMENDATION**

It is recommended that the Board of Alderman approve the proposed 2011-2012 HUD action Plan. Submission of this plan to HUD is required by May 13, 2011 per Federal regulations.